

**From:** [David Van Buskirk](#)  
**To:** [Regulatory Comments](#)  
**Cc:** [Cleo Segovia](#)  
**Subject:** David Van Buskirk - Comments on Proposed Rule: PCA-Risk Based Capital  
**Date:** Thursday, May 15, 2014 12:03:54 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)  
**Importance:** High

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Dear Mr. Poliquin:

As an employee of Resource One Credit Union and advocate for the Credit Union movement, this letter represents my views regarding the NCUA's proposal on PCA – Risk-Based Capital. I believe that although it is commendable in theory, the proposal would leave negative outcomes. I fully support the model for risk-based capital for credit unions, but would like to voice my concerns and offer the following comments with the intention on improvement:

- Credit Unions came through the last Recession in 2007-08 just fine (the largest recession since the Great Depression) *without* needing one penny of taxpayers' dollars.
- Under the proposed timeline, credit unions looking to alter their investment portfolio due to the RBC process may be forced to sell investments at less than advantageous terms. Based on the potential economic upswing, being penalized for investing in long term profitable investments seems to be arduous with this new proposal.
- Member business loans and mortgage concentrations do not appear to be aligned with the *actual* risk for credit unions. A home equity loan would carry a higher risk weight (100% to 150%) than a credit card loan (75%). As arbitrary (although obvious) as it may seem, this proposal should be reassessed and reclassified.

I have addressed only a few of my concerns with the proposal in this email. Furthermore, although the proposal has good intentions for the movement, the “one-size-fits-all” approach applies to categories of assets, is a major weakness. We are all unique and there should be a better consistency with the proposal.

In summary, I believe this proposal as written has technical flaws – a few of the key points as discussed above – which could limit much needed credit to members.

Thank you for your time and for allowing me to comment on the RBC proposal.

Sincerely,

**David Van Buskirk**



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